

DELIVERY AGREEMENT

For Outcome 4: Decent employment

Through inclusive growth

07 February 2011

INTRODUCTION

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable high-impact priority outputs and sub-outputs

Each of the 12 outcomes has a delivery agreement which in most cases involve all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities.

The delivery agreement provides detail to the outputs, targets, indicators and key activities to achieve outcome 4. While the delivery agreement may contain longer term outputs and targets, it also includes outputs and associated targets that are realisable in the next 4 years.

It also considers other critical factor impacting on the achievement of outcome 4, such as the legislative and regulatory regime, policy framework, the institutional environment and decision-making processes, the resources needed and re-allocation of resources where appropriate.

This delivery agreement will be reviewed annually in the light of learning by doing and monitoring and evaluation (M&E) findings. Accordingly it will be refined over time and become more inclusive of the relevant delivery partners

1. PROBLEM STATEMENT

The Mpumalanga economy has suffered on Low GDP growth rate which averaged growth of 2.5% (1996-2009) There is also high unemployment rate (42.3% expanded definition) which is concentrated on the youth. Our economy has a low labour absorption rate which stands at 38.8%. Our net has declined in labour-intensive primary sectors.

The situation is aggravated by the absence of long-term wage growth: As it stands, 48.6% of poor households earned less than R3 500 in 2009, depending on social grants. One of the major obstacles to sustainable growth include a poor and inadequate skills base, unnecessary regulatory red tape, weak domestic demand caused by poverty and equality, uncompetitive markets.

Provincial government has not made substantial impact towards influencing change in the **structure** of the economy to favour the previously disadvantaged as well as creating labour absorbing growth. There are policies which have been developed over time to deal with structural changes in the economy such as the Mpumalanga Economic Development Strategy which was not adopted by Cabinet but provide a paradigm shift in the set up of the economy.

According to national guidelines, DEDET is expected to focus on **Outcomes 4 and 10** in the development of its 5 year plan

2. IDENTIFICATION OF DELIVERY PARTNERS

Delivering on the creation of decent work through inclusive growth will require cooperation amongst government departments, state agencies and stronger participation of social partners in the development and implementation of government policies. While the core participants will be government departments, collaboration with business and labour will be crucial.

The Public Sector Delivery Partners are highlighted in the table below.

DARDLA	PT and DEDET	DPWRT, COGTA, DOE, DoH, DOHS, and Local Government	IDC, IDZ, Khula, SEDA, Eskom, Transnet, DBSA
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The list is not exhaustive

The implementation forum will also ensure cohesion between outcome 4 and the following outcomes

- Outcome 5 : A skilled and capable workforce to support an inclusive growth path
- Outcome 6: An efficient, competitive and responsive economic infrastructure network
- Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all
- Outcome 10: Environmental assets and natural resources that is well protected and continually enhanced

3. LINKING OUTPUTS TO OUTCOME 4: WHAT WILL BE DONE DIFFERENTLY?

Creation of decent employment opportunities is an outcome of most, if not all government initiatives. This agreement focuses on the fundamental outputs that would need to be achieved in the current administration period, to promote employment creation and increase the number of decent jobs, stimulate inclusive growth and further diversify the economy towards more employment generation and higher value added activities.

Output	What should be done

Output 1: Faster and sustainable inclusive growth	
Sub-output 1: The Developmental Growth Path	Align economic policies toward stronger focus on employment creation and equity, with stringent re-prioritisation and monitoring

Output	What should be done
Sub-output 2 : Agreement with social partners to promote the goal of decent work through inclusive growth and strengthened implementation of the Framework Response to the International Economic Crisis	Agreement to be based on Developmental Growth Path and support its implementation and drive implementation of the Framework Agreement with some improvements while enhancing ongoing monitoring of recovery with early-warning system
Output 2: More labour absorbing growth	
Sub-output 1: Increased financing for industrial development	A multi-pronged strategy to achieve a step-up investment into labour-absorbing sectors and saving existing jobs, based on mobilisation of private and public savings.
Sub-output 2: Improved state procurement practises designed to foster local production	Procurement regulations reformed to support local production and employment
Sub-output 3: Sector strategies to support growth of labour-intensive industries	Diversification of the economy into industries that can support employment, starting with labour-absorbing sectors (agro processing, tourism, biofuels, forestry)
	Proposals for expanding employment in agriculture, especially through step up in (a) number of formal small-scale producers based on integration of land reform with other support measures and (b) existing micro producers experiencing qualitative improvement in output

	Develop standardised approach to sector strategies that establishes common methodology across the state for (a) identifying constraints on employment-creating growth,(b) ensuring alignment of budgets and government institutions, and (c) working with stakeholders
	Identify all labour-absorbing sectors and monitor their development

Output	What should be done
Sub-output 4: Creation of value-chain linkages between small and large enterprises	Growth in EPWP falls under DPW, but Cluster to identify distressed areas for targeting CWP programmes, in collaboration with CRDP where relevant
	Long-run spatial scenarios on settlements and economic activity to assess impact of different policy interventions.
Sub-Output 5: Green Economy	Develop an appropriate regulatory framework to enable the development of sector action plans and related green markets and industries plus an implementation plan
Output 3:Multi-pronged strategy to reduce youth unemployment	Development of strategy based on review of legislative environment; identifying desired scale, with budgets, of youth brigades and other public employment schemes for youth; conducting. Improving education performance and skills development targeting schools in poorest 40% of communities; improving employment services for youth.
Output 4: Increased competitiveness, to raise net exports, grow trade as a share of world trade and improve its composition	Finalise the Trade and investment strategy
	Unpack the medium to high tech sectors and the growth potential for these sectors.
	Coordinate with the infrastructure cluster on provision of infrastructure that facilitates exports

Sub-output 3 : Increased R & D Expenditure to support growth and development	Collaborate with DST to expand on their R&D
Output 4 : Improved cost structure in the economy	Identification of main areas of concern (transport, , infrastructure, skills development, etc.)

Output	What should be done
Output 6 : Improved support to small business and cooperatives	
Sub-output 1: Reduced constraints and improved support to SMMEs and co-ops	Finalise the SMME strategy
Sub-output 2: Improved integration on 2 nd economy activities into the mainstream economy	Finalise the Cooperatives Strategy.
Output 7 : Implementation of the expanded public works programme	Ongoing monitoring and evaluation of expansion according to EPWP II targets in terms of impact on employment and social cohesion

4. ACTIONS NEEDED TO ACHIEVE EACH OUTPUT

This section focuses on new actions to achieve the fundamental outputs required in the current administration period to promote employment creation; increase the number of decent jobs; stimulate inclusive growth; and further diversify the economy towards more employment generating and higher value added activities. In each area, government departments are already pursuing important policies and programmes. This delivery agreement does not review existing activities which are detailed in departmental reports and the Estimates of National Expenditure. This document identifies new initiatives that aim primarily to review existing programmes and identify gaps and areas that require reform or reprioritisation above all to ensure more sustained, equitable

and employment –creating growth. On that basis, departments will be expected to wind down lower priority programmes while scaling up new activities.

4.1 OUTPUT 1: FASTER AND SUSTAINABLE INCLUSIVE GROWTH

Problem Statement

South Africa had experienced the high unemployment, poverty inequality which undermined the sustained growth. Despite reasonable growth, the economy remained deeply unbalanced with the high unemployment rate taking place. The Gini-coefficient of 0.65 in 2009 showed the highest imbalance income distribution in the world.

Although the economic growth in the Province in 1997 and 1999 was higher than the national rate in terms of GDP growth, still showed some imbalances in that that performance could not be sustained over the years.

SUB-OUTPUT 1: THE DEVELOPMENTAL GROWTH PATH

The Mpumalanga Economic Growth and Developmental Growth Path define the nature of the Provincial jobs and equity challenge, it provide a spatial referencing in terms of a growth path that identifies the jobs drivers-that is, where jobs can be created – as well as key policy drivers, meaning the policy tools available to support employment growth across the economy,as well as identify trade-offs and choices that have to be considered. It will also identify the resource needs, both financial and non-financial resources for implementation and the institutional issues. The work will take place in two phases:

- Phase 1-finalisation of the framework for the MEGDP
- Phase 2-development of the detailed implementation plan

Lead Department: DEDET

Supporting Cluster: Economic Cluster

SUB-OUTPUT 2: AGREEMENT WITH SOCIAL PARTNERS TO (A) PROMOTE THE GOAL OF DECENT WORK THROUGH INCLUSIVE GROWTH AND (B) STRENGTHEN IMPLEMENTATION OF THE FRAMEWORK RESPONSE:

Achieving the goal of decent employment through inclusive growth will require increased participation and contribution of social partners in the development, implementation and monitoring of policies and programmes. The MEGDP will entail a new set of trade offs for all social partners and between long term and short term costs and benefits. The successful implementation of the MEGDP will require creating consensus and mobilizing social partners towards the common

aim. The nature of these pacts will depend on the outcomes of the MEGDP, after which a clear, costed implementation plan will be developed

Timeliness:

Agreement on the goal of decent work through inclusive growth: March 2011

Lead Department: DEDET

Supporting departments: OTP

4.2 OUTPUT 2: MORE LABOUR ABSORBING GROWTH

Problem Statement

Mpumalanga is endowed with sectors which are more labour absorbing in nature but are becoming the sector which shed a lot of jobs. Between 1996 to 2009, Mpumalanga recorded the highest employment elasticity of all provinces and higher than the national figure. The province elasticity reveals that on average over 13 year period, every 1 percent of real GVA growth in the province translated into 1.1 per cent increase in employment. However, labour productivity in Mpumalanga declined from 1996 to 2009.

Mpumalanga declined from the province with the fifth highest labour productivity in 1996 to the province with the lowest labour productivity in 2009.

SUB-OUTPUT 1: FINANCING FOR INDUSTRIAL DEVELOPMENT

Industrial financing is a key component in supporting the development of more labour absorbing sectors. The cost of finance however remains high by international standards.

Timeline: Industrial financing strategy by December 2011, with clear targets and actions; monitoring and evaluation on-going thereafter.

Lead Department: DEDET

Supporting departments: PT

SUB-OUTPUT 2: IMPROVED STATE PROCUREMENT PRACTICES:

State procurement represents an important lever for the state to develop industrial capabilities and support local production, stimulate local demand, address external account constraints and increase employment. The key components to be addressed are (a) procurement policies, (b)

Capacity for strategic procurement in key state institutions, (c) comprehensive upgrading of suppliers and (d) ongoing monitoring of outcomes and impact.

Timelines:

development of training and systems to improve procurement by December 2011, with implementation plan to identify key actions thereafter.

Lead department: PT

Supporting departments/institutions: DEDET and all sector departments

SUB-OUTPUT 3: SECTOR STRATEGIES TO SUPPORT GROWTH OF LABOUR INTENSIVE INDUSTRIES

The agricultural value chain needs firstly, a focus on expanding farm-output and employment. The next step is a focus on increasing the agro-processing sector. The agricultural sector is one of the sectors that will require increased focus, given the sector's potential to create jobs particularly in rural areas and respond to the issues of food security.

A drive to get local labour to participate in infrastructural and other construction projects by both government and the private sector.

Tourism & trade are the other areas that have a high labour absorbancy. The development of government controlled conservation estates as well as promotion of the cultural industries are areas of opportunity for fast growth in employment in the tourism and trade. Facilitating investments to increase competition and improve competitiveness of agro-processing sub-sectors that have potential for growth and employment creation.

- Identify the potential for employment creation and improvements in livelihoods on a large scale through smallholder schemes, improved production for existing smallholders and peri-urban horticultural production;
- Address factors leading to higher cost of inputs for commercial farmers, including logistics, fertiliser and seed; and
- Develop proposals to support organisation of farm workers as part of the decent work agenda.

The finalisation of the cultural and creative industries will assist to create sustainable decent jobs and contribute towards the creating of sustainable economic opportunities for rural communities. Cooperation between the Department of Culture Sports and Recreation, will be strengthened to improve efficiency in the implementation of the Interventions to support the video and film industries to enhance employment creation in these industries.

Lead department: DEDET

Supporting departments: PT and DCSR

Timeline: Identify labour-absorbing sectors and monitor their development: Initial proposal by September 2011; on-going monitoring on that basis, with bi-annual reports to the Cluster

Lead department: Economic Cluster

SUB-OUTPUT 4: Creation of value-chain linkages between small and large enterprises

Creation of value-chain linkages between small and large enterprises

Invest in the development of domestic component supplier industries for **infrastructure programmes** (rural infrastructure is very key) i.e. bolts etc. Identify the massive infrastructural programmes on transport, energy, water, communications capacity and housing, (e.g. High Court, Coal Haulage, University, Tertiary Hospital, Moloto Rail, Overvaal Tunnel, Komatipoort, R40 passenger rail etc.) which will be undertaken in the Province mainly by state agencies and mobilize local suppliers to enter. Facilitate access to contracts and give support for the development of capacity to supply as per need. The province is currently involved in SMME support to capitalize on the Project Kusile initiative. This should be used as a springboard with lessons learnt applied effectively to other forthcoming projects. The same applies for private sector led infrastructural programmes.

Timeline; Identify distressed areas for targeting CPW by November 2010; spatial perspective by February 2011

Lead department: DEDET

Supporting departments: COGTA, DHS and DPWRT

SUB-OUTPUT 5: GREEN ECONOMY

The increased need to respond to climate change has opened new opportunities to employment creation while responding decisively on carbon emissions and seeking to improve efficiencies in the economy. Rather than a zero-sum game, policy work underway in the state seeks to build coherence between the climate change imperative and the creation of decent work and support of sustainable livelihoods. The policy work on the green economy will form a part of the MEGDP.

Programmes in green energy, component manufacture, waste management services as well as environmental rehabilitation. The previous projects on the clearing of invasive plant species to be scaled up

Timeline: April 2011

Lead Department: DEDET

Supporting departments: NT and OTP

4.3 OUTPUT 3: MULTI-PRONGED STRATEGY TO REDUCE YOUTH UNEMPLOYMENT

The character of the unemployed economically active population is biased against the youth as well as black African women. This character is a manifestation of flaws within both our education system and labour market environment. The education system has not been able to adequately equip the youth to enter the labour environment both from a worker point as well as from an entrepreneurial perspective. On the other hand, industry has not geared itself up to continually absorb new blood and provide them with requisite skills to be highly productive. Knowledge and skills are therefore disproportionately concentrated within the older workforce with low levels of transfer.

An entrepreneurial spirit is lacking within the youth. A focus on quick gains through mainly government tenders is inhibiting the nurturing of true entrepreneurial ethos. For the province to be competitive in the future, it is imperative that the generators and leaders of our future economy enter now, so that they start to develop their skills. A firm foundation also has to be laid for learners in literacy, numeracy, business skills as well as values.

Activities in this area needed to improve the youth condition in the province will include:

Prioritise youth and women for entrepreneurial and business skills development. Negotiate with industry to prioritise youth and women employment and incorporate this as a strong component for provincial and local government procurement policy.

Drive to promote youth participation in fields that are not traditionally popular with the young but offer good employment prospects like agricultural, zoological and botanical fields. The medium to long term approach is to begin to improve the basic education system. Direct intervention in terms of teacher skills upgrade as well as learner material and school infrastructure will need a co-ordinated approach. They will however need to be supported by other indirect interventions including discipline, school governance, extra mural activities and social support.

A review of the FET system to be in line with industry needs plus build linkages between business and FET's for practical training and possible absorption into these industries.

- Innovation hub linked to incubation centres

- Strong linkages with HRD strategy
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Timeline: June 2011

Lead Department: DEDET

Supporting departments: NT, DARDLA, DPWRT, COGTA, DHS.

4.4 OUTPUT 4: INCREASED COMPETITIVENESS, TO RAISE NET EXPORTS, GROW TRADE AS A SHARE OF WORLD TRADE AND IMPROVE ITS COMPOSITION

Problem Statement

Trade within the world has traditionally favoured the more advanced economies. Africa was colonized by a various empires for its wealth in mineral resources. Sub-Saharan Africa, during the cold-war era, was targeted by the east and west, under the guise of ideological support, for its raw resources. Post the cold-war, with relative stability taking root, the emergence of new strong players within the world economy has seen these nations targeting our continent both for strategic resources to support their industries and a growing market for its goods.

Clearly this trade imbalance cannot sustain our continent, our country and province. The focus from now on should be on turning this balance around to a more balanced trade regime that also attracts new fixed investment both foreign and local.

In order to boost investment, business confidence is key. The re-alignment of world trade dynamics should be taken as an opportunity to re-look past strategies on forging ties and trade links.

SUB-OUTPUT 1: SUPPORT FOR EXPORTS AND IMPORT COMPETING SECTORS.

- A suite of interventions have been identified in the IPAPII targeted at enhancing the competitiveness of import competing sectors, particularly those linked to the build programme. The Province needs to implement a trade and investment strategy that raises our net exports, and grows our trade as a share of national trade by:
 - Identifying measures to raise competitiveness at firm and sector levels
 - An improved export support programme for emerging exporters that comes in the form of a package offering support across the whole chain (i.e.training, finance, exposure and trade linkages).
 - Identifying measures to improve quality and diversity of exports

- Promoting the crowding in of private sector investment by government acting/influencing as lead investor in a given space economy
- Facilitating negotiations for global investment projects with local investors
- Mobilising/Negotiating guarantees and act as a guarantor of private debt finance for major investments.
- Increasing innovation and productivity

In the short term, the province needs to review its trade and investment strategy taking particular attention to the changing dynamics within world trade as well as regional imperatives focusing on the African development agenda.

Short to medium term: More support towards export competing sectors to augment efforts from the Dti. This will mainly include improvement in transport logistics, communication and information.

Medium to long term: Partner with industry and academia to increase expenditure in Research and Development. Promote innovation.

Lead department: DEDET

Supporting departments; All sector departments

SUB-OUTPUT 3: INCREASED R & D TO SUPPORT GROWTH AND DEVELOPMENT

Increasing R & D is important for long-term sustained growth. In addition, there is a need to increase the R & D intensity of existing sectors of the economy, and aligning this work to the priority sectors as outlined in MEGDP. Substantial work has been done in this regard and the key activities will be aligned with the broader policy framework and implementation.

Increased R & D is possible through three major avenues:- government, private sector (including state-owned enterprises), and international funding. Taking into account the development status of South Africa and the current pressures on the private sector, government funding of R & D will continue to play the leading strategic role in strengthening the development of the National System of Innovation. Increased government funding will be deployed to support the key policy building blocks:

Some additional key activities to be undertaken within the context of Outcome 4 include:-

4.5 OUTPUT 5: IMPROVED COST STRUCTURE IN THE ECONOMY

Problem Statement

The economy is currently characterised by high cost structures arising among others from a combination of concentrated market structures, issues around infrastructure quality and financing, bottlenecks in skills and education, rising healthcare costs, above-inflation increases in administered prices, cyclical spikes in food prices, unnecessary inefficiency in regulations in some cases, and inefficient cities as a result of apartheid settlement patterns.

SUB-OUTPUT 1: INTERVENTIONS TO PROMOTE APPROPRIATE COST STRUCTURE

A review of the main drivers of high and inappropriate cost structures will be done and proposals developed to establish a more efficient economy. Specifically the study will assess the impact on overall economic efficiency of:

- Infrastructure and skills bottlenecks
- Administered prices
- Healthcare costs
- The cost and quality of commuter transport

Timeline July 2011

Lead department: DEDET

4.6 OUTPUT 6: IMPROVED SUPPORT TO SMALL BUSINESS AND COOPERATIVES

Problem Statement

South Africa, since it has been a democratic state, has not made inroads in the support of the Small Medium Micro Enterprises. Policies have been developed over time such as BEE Act and BBBEE but such intervention at a policy level yielded less intended results.

The Department has over the number of years supported both the SMME and Cooperatives by providing to them financial support and in some cases secured funding from institution like MEGA, KHULA and so on. Such support has not yielded much of the desired results in that SMME cannot be tracked and are not sustainable.

SUB-OUTPUT 1: REDUCED CONSTRAINTS AND IMPROVED SUPPORT TO SMMES AND CO-OPS

- Enable start-ups and existing SMME's to take advantage of identified business opportunities in identified sectors

- Enable SMME's to respond to key constraints re: Start Up & Operations
- Foster collaborative action to enhance small business competitiveness
- Affirmative Procurement led by government
 - Province specific standard procurement policy (derived from PPPFA)
- Longer incubation periods (5years)
- Linkage to supplier industry for infrastructure development
 - Develop a wide base of sustainable SMME's that collectively account for a significant contribution towards the provincial employment and GDP.
 - Develop this base of SMME's to participate both in input (upstream) as well as services (downstream) activities within the value chain of large industry.
 - Develop this base of SMME's to conduct business between themselves

Lead Department: DEDET

Supporting department: All sector departments

SUB-OUTPUT 2: IMPROVED INTEGRATION OF 2ND ECONOMY ACTIVITIES INTO THE MAINSTREAM ECONOMY

Commission research work which will be to look and review the current 2nd economy work being done at National level and develop the implementation strategy to improve integration of the 2nd economy activities into the mainstream economy.

4.7 OUTPUT 7: IMPLEMENTATION OF THE EXPANDED PUBLIC WORKS PROGRAMME

Problem Statement

The delivery of public services through the use of labour-intensive methods provides an opportunity to create additional work. Expansion of the public works programme needs to be accelerated further to create opportunities for the transfer of income to the unemployed through the provision of work to alleviate poverty.

Sub-outputs

SUB-OUTPUT 1: EXPANSION OF THE SCOPE AND DURATION OF PUBLIC EMPLOYMENT OPPORTUNITIES (EPWP)

Employment Conditions

Employment conditions for beneficiaries on EPWP programmes are currently governed by The Ministerial Determination for Special Public Works Programmes and the accompanying Code of Good Practice for Special Public Works Programmes which were gazetted by DOL in

2001, after negotiations with stakeholders. The Ministerial Determination sets special conditions of employment for workers employed on public works programmes.

Work has been undertaken to propose amendments to some of the employment conditions in order to facilitate scaling up of the EPWP and increasing the impact on beneficiaries. The following amendments have been proposed with regards to:

- The rate of pay: establish a minimum EPWP wage rate of R60 to be adjusted annually with inflation
- Duration of employment: Allow for longer periods of employment so that programmes can offer longer term employment and more predictable income streams

The DOL facilitated a review of the Ministerial Determination including proposed amendments to some of the employment conditions in order to facilitate scaling up of the EPWP and increasing the impact on beneficiaries. The following amendments have been proposed with regards to:

- The rate of pay: establish a minimum EPWP wage rate of R60 to be adjusted annually with inflation
- Duration of employment : Allow for longer periods of employment so that programmes can offer longer term employment and more predictable income streams

The DOL facilitated a review of the Ministerial Determination including proposed amendments to some of the conditions of employment. The outcome of the review has been submitted to the Minister of Labour for promulgation. These will be promulgated together with the reviewed Code of Good Practice.

Timelines: April 2011

Lead department: DPWRT

Support departments: All sector departments.

SUB-OUTPUT 2: EXPANSION OF EMPLOYMENT IN THE SOCIAL SECTOR

Within the social sector a list of programmes has been identified in which opportunities to expand EPWP exist. These programmes have the potential to also contribute to sub-output 1 and include, school nutrition, construction and maintenance of schools, adult education, teacher aids in special schools, administrative support at schools, directly observed therapy, voluntary counselling and testing, nutrition advisers, community health workers, community development workers.

Timelines: April 2011

Lead Department: DPWRT

Support departments: All sector departments.

5, INDICATORS, BASELINES AND TARGETS FOR OUTCOME

Outcome 4: Decent Employment Through Inclusive Economic Growth								
Outputs	Indicator/ Measure	Baseline	5-yr Targets	2010/11 Targets	MTEF Budget	2010/11 Budget	Key Partners	Contribution from key partners
Output 1: Faster and sustainable inclusive growth	Number of detailed sector interventions developed and prioritized	<ul style="list-style-type: none"> Seven Sector strategies developed. Lack of detailed plans to realise sector strategies 	5 year sector strategy implementation report	A report on the obstacles to sustainable, inclusive economic growth and the policy adjustments needed to address them			<ul style="list-style-type: none"> DARD LA, DPW R&T, Education, Organised business Organised Labour Academia 	Consultations still in progress
Output 2: More labour absorbing growth	Economic Growth Path developed	PGDS	Spatially referenced infrastructure development plan	Mpumalanga Economic Development and Growth path developed			All Sector Department, Office of the Premier and Treasury	
Output 3: Multi-pronged strategy to reduce youth unemployment	No. of graduates from youth focused entrepreneur programme entering the mainstream economy	No accurate information on the number of youth entrepreneur graduates, entering the mainstream economy	<ul style="list-style-type: none"> Innovation hub linked to incubation centres School of Entrepreneurship Established 	Pilot incubation Centre to be established			<ul style="list-style-type: none"> All departments Organised labour Private sector Civil Society groups and NGO's 	

<p>Output 4: Increased Competitiveness</p>	<ul style="list-style-type: none"> Value of Export and investment 	<ul style="list-style-type: none"> 1.6% national exports 0.7% national imports Outdated Export strategy, No provincial Trade and Investment strategy Independent district investment strategies 	<ul style="list-style-type: none"> FDI & LDI =R1.1bn Export= R1.bn 25 investment projects realised in 18 local municipalities Harmonised district investment and export strategies 	<ul style="list-style-type: none"> FDI & LDI= R310m Export= R300m Finalised provincial export, Trade and Investment Strategies Secure R200mil investment pledges by MEGA through investment conference 	-	-	<ul style="list-style-type: none"> Dti, MEGA, IDC, DED Manufacturing Industry Commodity Brokers Traders 	Consultations still in progress
<p>Output 5: Appropriate cost structure in the economy</p>	<p>A fully functional Mpumalanga Liquor Authority</p>	<p>Mpumalanga Liquor Act 5 of 2006</p>						DEDET
<p>Output 6: Critical review our support for Cooperatives and small businesses and develop a clear plan to improve our</p>	<ul style="list-style-type: none"> Number existing and new SMME's and cooperative supported and developed Number of 	<ul style="list-style-type: none"> Small Business Development legislation/policies. Draft provincial SMME Strategy & Cooperative strategy 	<p>A base of SMME's developed that partakes in input and services within the value chain of major industry &</p>	<p>Provincial SMME , Cooperative strategy</p> <ul style="list-style-type: none"> A comprehensive implementation plan for SMMEs 			<ul style="list-style-type: none"> Dti National Treasury Established Cooperatives Organised businesses 	

performance.	Enterprises entering the mainstream economy	No comprehensive and accurate information on number of small businesses developed & entering mainstream economy	Major infrastructural developments (<i>Kusile, mining, high court etc..</i>) as well as associated secondary developments	<ul style="list-style-type: none"> Cooperatives and Survivalists An up-to-date provincial database on small businesses in operation 		<ul style="list-style-type: none"> DARD LA DPW R&T
				Sipulazi Bi-Diesel Cooperative	R 1,218,460.00	NDA (Andrew Nkosi - 073 068 0021)
				Esperanza Farmers Co-Operative	R 579,200.00	NDA (Mashilo Mokotong 017 614 6683)
				Mphatlalatsane Cooking Oil Cooperative	R 1,653,508.00	NDA (Oupa Njobe 082 794 6408)
				Likusasa Lami Impilo Cooperative Limited	R 1,462,400.00	NDA (Andries Masina - 017 887 5969)
				Thembisile Hani Brick Making Cooperative	R 987,128.00	NDA (Helen Mabusela - 076 773 8826)

				Lebohang Cooperative		R 1,640,394.00	NDA (Nacy Mabena - 013 973 5281)	
				Thlarini Agriculture Cooperative		R 1,191,399.10	NDA (Prince Khwerana - 082 683 1131)	
				Josias Mathebula Cooperative		R 857,249.00	NDA (Patrick Maseko - 084 699 8781)	
				Motlomobe Cooperative		R 648,750.00	NDA (Phineus Mlatjie – (076 041 3745)	
Output 6: Critical review our support for Cooperatives and small businesses and develop a clear plan to improve our performance (continues)	Report on revised legal framework for small businesses	Business environment not adequately favourable to small businesses	A revised legal framework for small business established	Review and evaluate legal framework to promote conducive enterprise development environment			DTI, SEDA, National and Provincial Treasury	Report on revised legal framework for small businesses
	Number of support packages for small businesses	Inadequate support services to small businesses	Providing effective and efficient support services and resources to small businesses	Develop support packages for the different categories of small businesses			DTI, SEDA, National and Provincial Treasury	Number of support packages for small businesses

		•	Review of Provincial development strategies	Provincial economic development strategy			<ul style="list-style-type: none"> Organised business Organised Labour Academia Civil Society Groups 	Consultations still in progress
			Provincial sector intervention plans integrated with all gvt spheres and stakeholders	Enhanced quality of interactions with various stakeholders			<ul style="list-style-type: none"> COGTA OTP Organised Business Organised Labour 	Consultations still in progress

7. RISKS, CONSTRAINTS AND MITIGATION STRATEGIES

Achieving the employment and growth targets largely depend on the global economic environment. The economic outlook in the current administration period is still weak. The risk of a double-dip recession has increased given the sluggish performance of most developed countries and increased need for fiscal consolidation. Poor growth performance will have significant impact on government revenues, which may reduce resources required to achieve some certain targets outlines in the agreement. Continued investment into economic infrastructure will provide a buffer for the economy and lay a strong foundation for the economy's competitiveness going forward.

8. GOVERNANCE AND REPORTING ARRANGEMENTS

The current Economic Cluster will be the Implementation Forum to oversee the implementation of the programmes